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Automotive News

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GM gives green light to new Camaro and Firebird

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors last week approved the next-generation Pontiac Firebird and Chevrolet Camaro, moving the sporty, image cars closer to production.

Approval of the product itself removes a major hurdle. The business case for the models, which includes the marketing plans, sales forecast and amount of investment, and location for their assembly have yet to be approved. Those approvals are expected in the next two months.

While GM refuses official comment on future product programs, three officials confirmed the product won the go-ahead.

The future of the sporty cars has been uncertain for many months, particularly in recent weeks as GM disclosed plans to cut costs by $1 billion in 1990. Some of the cost-cutting is to come from cancellation or deferral of future product programs, mainly those beyond the 1992 model year that have not received corporate approval to move toward production.

But last Monday, the new F-cars, as they are known, won management approval.

Camaro and Firebird have been produced in the same form with only minor year-to-year changes since 1982; the new versions will debut in the spring of the 1992 model year but likely will be badged as 1993 models. The brands debuted in 1967-68.

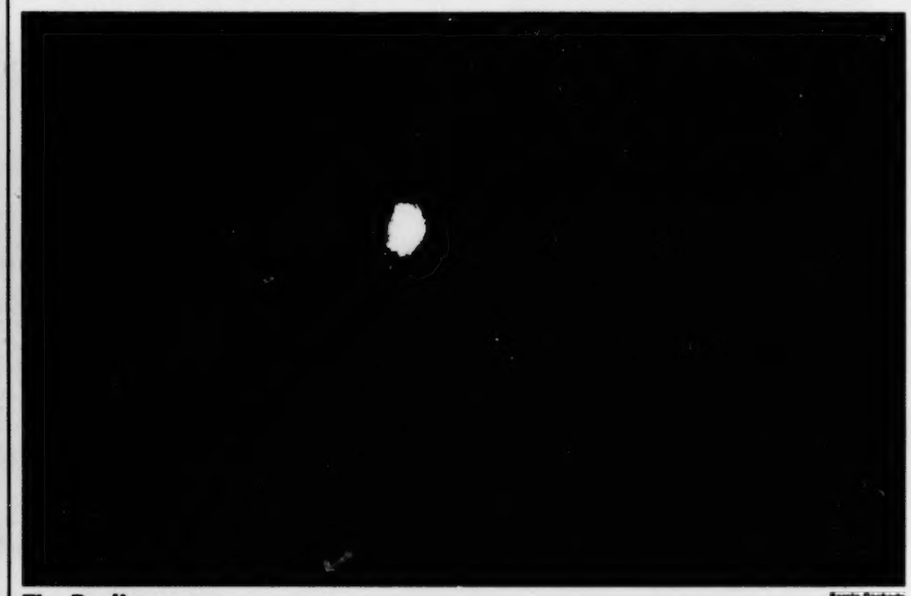
Even before the most recent round of cost-cutting, debate raged about the future of the cars. One faction within GM, mostly financial people, argued that sales forecasts showed a continued slide in the 1990s, and the investment would not be worth it. The prospect for tougher fuel economy and exhaust standards further clouded the matter.

The peak sales year for each car was 1978 — 251,983 for Camaro and 177,192 for Firebird. Chevrolet sold 95,469 Camaros in 1989, down 6 percent from the previous year. Pontiac sold 55,030 Firebirds last year, also down about 6 percent. The Van Nuys, Calif., plant that now produces the cars was down to one shift, had been idled for slow sales repeatedly and now is closed

see F-CARS, page 43

Chevrolet Camaro's next generation, like Saturn, has a skin of composite and steel on a space frame.

AUTOWEEK/Bernie Sala



The Devil you say

Sergio Goeberto

Lamborghini's Diablo, a $191,000 successor to the Countach, is ready for production at Sant'Agata Bolognese, Italy, and for admiration at February's Chicago Auto Show. Story, Page 41.

Spring option specials cut Dodge truck prices

Changes slated for vans, pickups

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Dodge Division will announce a new series of specially priced spring truck packages to its dealers this week. Coupled with rebates, they will enable dealers to sell well-equipped Dakota pickups for less than $9,000 and well-equipped full-sized Ram pickups for less than $10,000.

Base prices are $9,700 for Dakota and $11,425 for Ram pickups.

Chrysler Motors also will make a series of product design and powertrain changes in its 1991 and 1992 minivans and mid-sized and full-sized pickups to boost their competitiveness.

Trucks, vans and sport-utilities account for about 49 percent of Chrysler Motors' vehicle sales.

The changes include:

- Intercooling the popular Cummins turbodiesel, introducing a new heavy-duty four-speed automatic transmission for it and targeting the full-sized Ram Club Cab pickup as the best new candidate for that engine.
- A 1991-model facelift for the full-sized pickups.
- Revamping the Dodge Caravan and Mini Ram Van/Plymouth Voyager/Chrysler Town & Country minivans with new styling and features.

They include all-wheel-drive availability on both long- and short-wheelbase models; rear anti-lock brakes; "Quad Command" captain's chairs available in three trim levels, including leather; a Convert-A-Bed feature for the long-wheelbase models; rear shoulder belts; rear center high-mounted lights as part of the new glass design; thin-back molded

see CHRYSLER, page 43

Big 3 engineers will keep more work inside

By Jack Keebler
AUTOMOTIVE NEWS STAFF REPORTER

The Big 3 will outsource fewer big projects in the 1990s, reversing a decade's rapid growth in contracted large-scale engineering projects.

Even as top-level suppliers and contract engineering firms prepare for more complicated and comprehensive projects, domestic auto companies are questioning the efficiency of turning major vehicle programs over to outsiders.

High-level engineers at U.S. car companies said that in the future, in-house engineering departments would handle many projects that might have gone to outside firms in recent years. They said that despite their potential, the benefits of modular manufacturing and contract engineering have been exaggerated.

> "There are definitely some risks with not having complete control."
>
> **Jim Kennedy**
> Ford

This tough perspective comes just as first-tier suppliers Dana Corp. and TRW Inc. announced plans to form a super-supplier joint venture to do more, larger turn-key product development and supply programs for Ford Motor Co., General Motors and Chrysler Motors.

Super suppliers like the TRW-Dana combine — with the capability to engineer, develop, coordinate the efforts of smaller suppliers and deliver tested and complete system modules to assembly plant back doors — might gobble the lion's share of a shrinking contract-engineering market.

A super supplier, unlike a contract-engineering firm, would have no interest in simple engineering contracts. Its intention is to provide one-stop shopping for automakers seeking engineering and system supply.

"It all goes back to need," says Marty Hermanns, vice president, systems engineering at Dana. "OEMs have made a conscious decision to reduce their engineering capacity. And we're filling the need for a supplier that can design and engineer a product."

But carmakers say they will be more wary of turning over vehicle systems to an outside vendor. The dangers cited in-

see INSIDE, page 43

Tonkin

TV says it is crucial to cars

Television stations must convince auto dealers that television advertising is crucial to the recovery of the auto industry.

That message went to more than 600 television stations last Friday when the Television Bureau of Advertising sent its member stations "Auto Boom . . . Or Bust."

Ron Tonkin, National Automobile Dealers Association president, was featured on the program. He said expected ad cuts could be alleviated if factory sponsored auto associations are abolished.

— Ariena Sawyers

42-year dealer warns GM:
In our guest opinion column, dealer Archie Huebner shares his advice to General Motors. He warns of a "bloodbath" in the '90s and implores GM to be the first of the Big 3 to shun rebates. Page 14.

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Gordon Buehrig, design giant, dies

By Jack Keebler
AUTOMOTIVE NEWS STAFF REPORTER

Gordon Buehrig, one of the titans of automobile design, died last Monday at his home in Grosse Pointe Woods, Mich., of complications from a fall. He was 85.

"This is a sad day for anybody who has been involved in transportation design," said Thomas C. Gale, vice president of product design at Chrysler Motors. "Mr. Buehrig was one of the founders and forefathers of the industrial design profession as it related to automobiles. We will miss him."

Buehrig's best known work was the low-slung 810 Cord, a V-8-powered front-wheel-drive car with hideaway headlights. Introduced at the New York auto show in November 1935, it was a sensation. It is acknowledged by car collectors today as a classic automotive design.

Buehrig is generally credited with the invention of the T-top, which he patented in 1951. While at Ford Motor Co., he built a prototype 1955 Thunderbird with a T-top, but the company did not adopt the design for production. General Motors installed a T-top on the 1968 Corvette without acknowledging Buehrig. When the designer threatened to sue, the company settled out of court for $15,000.

Last year, Buehrig was inducted into the Automotive Hall of Fame at Northwood Institute in Midland, Mich.

In recent years, Buehrig was an outspoken opponent of "wind-tunnel" design, which he claimed sacrifices vehicle character for a low coefficient of drag.

"It's about time the automobile companies sent their aerodynamic experts on a slow boat to China and let the real designers put some personality into their cars," he said in a 1986 interview. "Take the Ford Taurus and Sable. They look like the ultimate in aero. But where do you go from there?"

Noting that there are automotive wind tunnels all over the world, Buehrig said, "They give you the same answers in any language — English, German, Japanese. The wind tunnel is a completely impersonal gadget without a soul. Its goal is to produce an object that will go through the air best. And that shouldn't be the total purpose of an automobile."

Buehrig was born June 18, 1904, in Mason City, Ill. As a child, he was fascinated by automobiles — and frustrated because his family didn't have one.

In high school, he got his first experience in automobile design. He and his brother Donald ac-

see BUEHRIG, page 41

AUTOMOTIVE NEWS/JOE WILKENS

Buehrig is generally credited with the invention of the T-top.

Trucks lead mid-month sales gain

Light trucks helped the domestic market continue its sales thaw in mid-January.

Sales of U.S.-built trucks in mid-January climbed 9.36 percent while sales of U.S.-built cars rose only 0.53 percent for an overall sales increase of 4.02 percent over last year. Both periods had nine selling days.

In mid-January, 155,803 U.S.-built cars were sold, compared to 154,979 last year.

Sales of U.S.-built trucks totaled 110,762, compared to 101,286 last year.

Chrysler Motors reported the biggest jump in truck sales.

The company's truck sales climbed 35.61 percent over last year, buoyed by a consumer rebate on minivans.

Truck sales were up 5.88 percent at General Motors and 0.19 percent at Ford Motor Co. Nissan truck sales fell 42.07 percent in the 10-day period.

Car sales were off at each of the Big 3. The declines were 1.48 percent at GM, 9.13 percent at Ford and 8.85 at Chrysler.

At GM, Buick and Chevrolet posted gains while Cadillac, Oldsmobile and Pontiac reported fewer sales for this 10-day period than the year-ago period.

At Ford, Lincoln was the only make to show a sales increase.

At Chrysler, Eagle and Plymouth sales were up while Chrysler and Dodge sales declined.

Except for Nissan, transplant car sales increased.

Car sales were up 14.86 percent at Honda, 55.41 percent at Mazda, 516.72 percent at Mitsubishi and 371.36 percent at Toyota.

Mitsubishi sold 1,918 units in the period and Toyota sold 7,405.

Nissan car sales were off 12.49 percent.

DOMESTIC SALES

CARS

	Jan. 11-20, 1990	Jan. 11-20, 1989
Eagle	1,232	972
Chrysler	4,681	6,361
Dodge	8,091	9,405
Plymouth	5,992	5,418
Chrysler Motors	20,196	22,156
Ford	32,124	36,848
Lincoln	6,113	4,870
Mercury	8,355	9,554
Ford Motor Co.	46,592	51,272
Buick	13,445	10,513
Cadillac	5,343	6,261
Chevrolet	27,862	25,895
Oldsmobile	10,789	14,354
Pontiac	12,261	13,722
General Motors	69,700	70,745
Honda	7,241	6,304
Mazda	1,049	675
Mitsubishi	1,918	311
Nissan	1,702	1,945
Toyota	7,405	1,571
U.S. Car Total	**155,803**	**154,979**

TRUCKS

Chrysler	147	—
Dodge	17,306	12,688
Jeep	5,480	6,572
Plymouth	9,211	4,444
Chrysler Motors	32,144	23,704
Ford Motor Co.	35,777	35,708
Chevrolet	32,247	30,567
GMC	7,769	8,191
Oldsmobile	437	—
Pontiac	583	—
General Motors	41,036	38,758
Nissan	1,805	3,116
U.S. Truck Total	**110,762**	**101,286**
U.S. Car-Truck Total	**266,565**	**256,265**

Smyrna to assemble V-6 for 1992 Ford-Nissan minivan

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

SMYRNA, Tenn. — Nissan Motor Manufacturing Corp. U.S.A. will add V-6 engine assembly to its production center here by 1992.

Smyrna trade to increase, Page 41

The engine will be used in the new minivan, code-named VX54, that Nissan will build with Ford Motor Co. at Avon Lake, Ohio, for 1992 introduction.

Nissan will spend $25 million to build the V-6 assembly line.

It will begin production in October 1992 with a targeted output of 135,000 units annually.

The line will have a maximum capacity of 150,000 units a year and should reach full production by the end of 1992, according to Emil Hassan, vice president of engineering.

Plans for the minivan call for production of 135,000 vehicles a year, giving Smyrna a potential excess capacity of 15,000 engines annually.

Despite the increased number of models planned for Smyrna, Hassan said the new engine, a 3-liter version of the the V-6 currently used in Nissan trucks, will be used only in the Ford-Nissan minivan.

Smyrna currently builds Sentras and pickup trucks and has begun a $490 million expansion program to add a larger vehicle to replace the Stanza in 1992.

Nissan also has indicated it wants to move production of its Pathfinder sport-utility vehicle from Japan to the Smyrna plant, but it has no firm schedule for when that will happen.

Hassan said the V-6 will not fit any of the other vehicles built at the Smyrna plant.

Nissan originally was to supply Japanese-made engines for the minivan.

The company's decision to invest in U.S. production sends a signal that the minivan is moving forward.

The venture bogged down late last year for unexplained reasons.

Hassan said the project went through a "re-evaluation period," but added, "We at Nissan are merely a supplier to the project, and we kept working on our part of it all along. As far as we are concerned, it never left the drawing board."

The V-6 project, which will require 250 addi-

see SMYRNA, page 41

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Aro boss caught in Romanian revolution

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — The Romanian-American president of Aro of North America found himself in the middle of a revolution on a business trip to Romania last month.

"Everybody's happy there now," said Catalin Tutunaru, president of the company that is seeking to import the Aro Hunter, a Ford-powered, Romanian-built sport-utility vehicle. The import firm is based in Saco, Maine.

"There were a lot of wounded and killed people, but now they're more free. There's enthusiasm like you wouldn't believe," Tutunaru said.

Tutunaru was in Romania for meetings with Auto Dacia factory officials when the shooting started. It culminated in the Dec. 22 revolution in Bucharest.

During lulls in the fighting, Tutunaru said he helped carry food to rebels who were attacked by government troops when they took over the state-controlled radio and television center in the capital.

When the fighting died down, he flew to Switzerland on a U.S. military plane because commercial flights had been suspended.

Greater democracy in Romania could improve long-term prospects for U.S. import of the Aro Hunter, but the revolution has again delayed the project.

"There's going to be a little bit of delay, obviously, while some changes are made," said William P. Miller, chief operating officer of Aro of North America.

Tutunaru said the changes he saw in Romania are profound. He said that before the revolution, Romanian assembly-line workers worked under difficult conditions, though he said there was no forced labor as in some other Eastern Bloc countries.

"There was a shortage of heat and light. In the plant, it might be 35 or 40 degrees, with no lights. Now, things are bright and the heat is on," Tutenaru said.

And since the communists have been ousted, communications with the factory are more normal, he said. "Every phone was tapped," he said. "You had to have government permission to use the fax machine. Not every person was allowed to handle it.

"If anything, it's easier to do business without the higher government officials wasting money, and without the Securitate (secret police) watching me just because I am an American-Romanian," he said.

"Before, they just wanted to take advantage of us. Now, they want to cooperate. That's the feeling of everybody on the street."

But the revolution has worried some of Aro's 16 would-be dealers.

"It's a good product, and they have a good organization. They have done a good job trying to communicate with their dealers," said Lee M. Horner, president of Wyman Ford in Maplewood, N.J., who signed up for a franchise.

see ARO, page 41

Anglo offers new financing plan

Anglo American Auto Auctions will introduce a dealer financing plan called the Gold Card Program to new-car dealers at the Nashville Auto Auction. The program begins Feb. 1.

Under the program, dealers may return any vehicle purchased with the card within 30 days, and be guaranteed 95 percent of the original price or the subsequent resale price, whichever is more.

Anglo American, of Nashville, Tenn., eventually will offer the program to its 21 other auctions.

"Dealers should use the Gold Card Program to diminish risk and diversify into the lucrative used-car market," said Michael J. Richardson, president of Anglo American.

Anglo American will issue the Gold Card to a select group of new-car dealers meeting its lenders' requirements for credit approval. Third National Bank of Nashville will provide financing for the pilot program.

According to Bob Rauschenberg, executive vice president of Anglo American Auction Services, interest rates will differ slightly among dealers.

"Anglo's program, with a 45-day repayment period and a 30-day buyback guarantee, is clearly an attractive program for dealers," he said.

A service window will be dedicated to card holders at the auction.

It will act as a branch of the bank at the auction. A bank representative will attend every auction sale for the first several months.

AUCTION BRIEFS

CHARLES THOMAS

The Gold Card Program is similar to one offered by GE Capital Auto Auctions, of Barrington, Ill., to improve dealer cash flow and increase their buying power.

GE's Plus 10 program allows registered car dealers at several of its auctions to buy a vehicle then hold the car in their inventory for 10 calendar days before paying for it.

When the payment is received, GE clears the vehicle title for the dealer.

The Plus 10 program is applicable on all cars and trucks up to a $20,000 limit per vehicle. Individual credit lines are negotiated.

Retail leases gain

Vehicle leasing is surging and has ever since the 1986 Tax Reform Act phased out deductions for interest paid on car loans.

As a result, many lending institutions that bought lease paper when the upswing began are now considering alternatives for remarketing the first wave of end-of-term lease cars.

According to the Consumer Banking Association, demand for leasing is on the upswing and there are no signs that the growth will stop.

Between 1981 and 1989, consumer leasing increased 175 percent. This year an estimated 5.5 million vehicles will be leased.

Because more lease vehicles are sold at auctions, some auctions are now tailoring special programs for financial institutions.

One of them is Anglo American Auto Auctions, which recently introduced its EOT Program. The program works because the company has 22 locations.

First, financial institutions must secure an agreement with Anglo American, then notify it 30 days before of the number of vehicles coming to the end of term.

Lessees take their cars to the closest auction outlet and within half an hour of delivery, Anglo produces a vehicle condition report, collects any fees due and provides the lessee with a return ride to their home or office.

Anglo makes a recommendation on whether it is advisable for the car to undergo reconditioning or mechanical work.

The financial institution is then apprised of where and when the car is sold.

Canada vehicle sales off 5.2% in '89; Dec. drops 15.6%

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — Canada ended a less than robust 1989 on an even softer note as combined sales of domestic and imported cars and trucks fell 15.66 percent in December.

Sales of domestic and imported vehicles were off 5.23 percent for the calendar year, dropping below the 1.5 million mark to 1,457,428 units.

In December, domestic cars suffered a 17.19 percent decline, while imports fell 11.10 percent. Chrysler Canada and General Motors of Canada dropped 29.04 and 27.22 percent, respectively. Ford managed a 7.26 percent gain, paced by brisk sales of the Tempo, which captured the title as Canada's best-selling car for the fourth consecutive calendar year.

On a year-over-year basis, domestic cars were off 9.57 percent. Imported cars, which had been rising while overall sales fell, declined in December, down 11.1 percent. Toyota, Honda, Nissan, Suzuki, Ford and Volvo were among the gainers. Hyundai sales were off 51.6 percent, and Volkswagen plunged 48.7 percent.

The imports still barely managed to stay slightly ahead on the calendar year, however, by 1.86 percent. Total domestic and imported car sales for the calendar year were down 5.98 percent.

Truck sales also fell in December for the domestics. They were down 20.39 percent as each of the Big 3 posted declines.

Ford, GM and Chrysler each suffered on a 12-month basis with their domestic volume collectively falling 8.1 percent.

Import truck models managed a 14.69 percent gain for the month and a year-long increase of 32.71 percent. For the year, Toyota, Nissan, Mazda, GM, Suzuki and even Lada were up. Only Chrysler and Volkswagen sold fewer imported trucks last year than in 1988.

The strong import truck performance wasn't enough to keep overall truck sales ahead of last year, however. Sales fell 3.62 percent.

Bill Atkinson, vice president of marketing at General Motors of Canada, summed up the Canadian year: "1989 was a challenging year for the automobile business. Consumer spending for the first three quarters of 1989 was so strong that some economic contraction was inevitable in the fourth quarter.

"The automobile industry is very interest rate sensitive and contin-

Tempo again wins Canada sales race

TORONTO — For the fourth year in a row, the Ford Tempo was the best-selling car in Canada.

Ford of Canada sold 48,975 Tempos last year, about 2,000 fewer than in 1988. A vigorous promotional and incentive campaign in December pushed Tempo into first place.

Rounding out the top 10 were: Chevrolet Cavalier, 47,396; Honda Civic, 37,684; Mercury Topaz, 35,905; Chevrolet Corsica/Beretta, 33,086; Honda Accord, 32,181; Pontiac Sun-

CANADIAN CAR AND TRUCK SALES

Domestic cars	Dec. 1989	Dec. 1988	12 mos., 1989	12 mos., 1988
General Motors	17,669	24,277	309,696	352,210
Ford	14,056	13,105	190,604	201,240
Chrysler	6,112	8,614	119,773	145,553
Honda	1,494	2,309	25,383	18,686
Hyundai	582	0	2,194	0
Volvo	285	235	3,760	2,685
Domestic car total	**40,198**	**48,540**	**651,410**	**720,374**
Import cars				
Toyota	4,484	4,372	77,618	70,400
Honda	3,276	2,687	59,045	56,358
GM	1,673	1,723	30,580	27,369
Volkswagen	1,534	2,992	29,212	35,552
Nissan	1,383	1,342	28,145	29,812
Mazda	1,361	1,418	26,162	27,656
Hyundai	1,028	2,123	26,504	31,013
Chrysler	983	1,174	20,920	13,107
Suzuki	400	251	7,328	6,588
Ford	389	250	8,356	6,299
Subaru	314	534	6,171	7,759
Mercedes-Benz	277	275	4,063	4,221
BMW	230	366	4,311	5,016
Volvo	229	163	3,253	3,491
Jaguar	125	162	1,606	2,154
Lada	49	54	673	971
Saab	44	105	1,212	1,369
Peugeot	6	0	223	78
Skoda	4	19	344	378
Import car total	**17,789**	**20,019**	**335,726**	**329,991**
TOTAL — ALL CARS	**57,987**	**68,559**	**987,136**	**1,049,965**
Domestic trucks (including vans)				
General Motors	10,205	12,794	158,019	175,552
Ford	7,948	10,331	138,791	148,336
Chrysler	6,796	8,213	102,499	110,590
Domestic truck total	**24,949**	**31,338**	**399,309**	**434,478**
Import trucks (including vans)				
Toyota	1,480	1,424	16,987	15,736
Mazda	1,148	700	17,868	11,597
Nissan	1,033	736	13,571	13,118
GM	716	847	11,442	3,594
Suzuki	424	305	7,781	5,438
Chrysler	120	167	2,339	2,910
Volkswagen	28	128	768	934

AUCTION DATES

Chrysler Motors

Jan. 30 — Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Salt Lake Auto Auction, Salt Lake City; South Seattle Auto Auction, Kent, Wash.; Greensboro Auto Auction, Greensboro, N.C.; and San Antonio Auto Auction, San Antonio, Texas.

Jan. 31 — A.D.E. of Birmingham, Moody, Ala.; Butler Auto Auction, Gibsonia, Pa.; and Denver Auto Auction, Aurora, Colo.

Feb. 1 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Omaha Auto Auction, Omaha, Neb.; Ark-La-Tex Auto Auction, Shreveport, La.; Golden Gate Auto Auction, Fremont, Calif.; Amarillo Auto Auction, Amarillo, Texas, and Florida Auto Auction of Orlando, Ocoee, Fla.

Feb. 2 — Manheim Auto Auction, Manheim, Pa.

Feb. 6 — Clanton's Auto Auction, Darlington, S.C.; Southern Auto Auction, East Windsor, Conn.; Portland Auto Auction, Portland, Ore.; Nashville Auto Auction, Nashville, Tenn.; Southwest Auto Auction, Chandler, Ariz.; and Dallas Auto Auction, Grand Prairie, Texas.

Feb. 7 — Columbus Fair Auto Auction, Columbus, Ohio, and Minneapolis Auto Auction, Plymouth, Minn.

Feb. 8 — Indianapolis Auto Auction, Indianapolis; Fredericksburg Auto Auction, Fredericksburg, Va.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Riverside Auto Auction, Riverside, Calif.; and Southern States Vehicle Auction of Atlanta, Newman, Ga.

Feb. 9 — St. Louis Auto Auction, Bridgeton, Mo., and Tri-State Auto Auction, Cicero, N.Y.

Ford Motor Co.

Jan. 30 — Ohio Auto Auction, Grove City, Ohio, and Bay Cities Auto Auction, Hayward, Calif.

Jan. 31 — Albuquerque Auto Auction, Albuquerque, N.M.; Texas Hobby Auto Auction, Houston; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Greater Tampa Bay Auto Auction, Tampa, Fla.

Feb. 1 — Billings Auto Auction, Billings, Mont.; Minneapolis Auto Auction, Plymouth, Minn.; Nashville Auto Auction, Nashville, Tenn.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Feb. 6 — Greater Chicago Auto Auction, Chicago; Newburgh Auto Auction, Newburgh, N.Y.; and South Seattle Auction, Kent, Wash.

Feb. 7 — Northway Exchange, Clifton Park, N.Y.; Concord Auto Auction, Acton, Mass.; Clanton's Auto Auction, Darlington, S.C.; Fort Worth Auto Auction, Fort Worth, Texas; Mississippi Auto Auction, Hattiesburg, Miss.; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Feb. 8 — Manheim Auto Auction, Manheim, Pa.; Southwest Auto Auction, Chandler, Ariz.; and St. Louis Auto Auction, Bridgeton, Mo.

General Motors

Jan. 30 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; Manheim Auto Auction, Manheim, Pa.; and Florida Auto Auction, Ocoee, Fla.

Feb. 1 — Southwest Auto Auction, Phoenix, Ariz.; Mid Ark Auto Auction, North Little Rock, Ark.; Arena Auto Auction, Chicago; Columbus Fair Auto Auction, Columbus, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

Feb. 6 — A.D.E. of Birmingham, Moody, Ala.; Harrisonburg Auto Auction, Harrisonburg, Va.; National Auto Dealer Exchange, Bordentown, N.J.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Feb. 7 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; Golden Gate Auto Auction, Fremont, Calif.; and Statesville Auto Auction, Statesville, N.C.

Feb. 8 — Amarillo Auto Auction, Amarillo, Texas; Denver Auto Auction, Aurora, Colo.; Aptco Auto Auction, Taylor, Mich.; Butler Auto Auction, Gibsonia, Pa.; Big H Auto Auction, Houston, Texas; Nashville Auto Auction, Nashville, Tenn.; Arena Auto Auction, Chicago; and St. Louis Auto Auction, Bridgeton, Mo.

Toyota

Feb. 1 — Greater Chicago Auto Auction, Chicago.

Feb. 6 — Southern Auto Auction, East Windsor, Conn., and Bay Cities Auto Auction, Hayward, Calif.

INCENTIVE WATCH

CUSTOMER INCENTIVES

	Rebates	Finance Rates (Pct.) — Months — 24	36	48	60	Expiration Date
Chrysler Motors (1988-89 models)						
Chrysler	$500-$1,000	6.9	7.9	9.9	9.9	None
Dodge cars	$500-$1,000	6.9	7.9	9.9	9.9	None
Dodge trucks	$500-$2,500	6.9	7.9	9.9	9.9	None
Eagle	$750-$1,200	6.9	7.9	9.9	9.9	None
Jeep	$500-$1,000	6.9	7.9	9.9	9.9	None
Plymouth	$500-$1,000	6.9	7.9	9.9	9.9	None
Chrysler Motors (1990 models)						
Chrysler	**$500-$1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Dodge cars	**$300-$1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Dodge trucks	**$500-$2,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Eagle	**$500-$2,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Jeep	**$500-$1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Plymouth	**$300-$750**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Chrysler Motors (1990 models, guaranteed rebates*)						
Chrysler	**$1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**Jan. 31**
Dodge	**$1,000-$1,500**	**6.9**	**7.9**	**9.9**	**9.9**	**Jan. 31**
Dodge Trucks	**$1,000 - $2,000**	**6.9**	**7.9**	**9.9**	**9.9**	**Jan. 31**
Eagle	**$1,000-$2,000**	**6.9**	**7.9**	**9.9**	**9.9**	**Jan. 31**
Plymouth	**$1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**Jan. 31**
All minivans	**$1,000**	**3.9**	**4.9**	**7.9**	**9.9**	**Jan. 31**
***—Buyer will receive any increase in rebate through Sept. 30, 1990.**						
Ford Motor Co. (1989 models)						
Ford cars	$750-$1,000	6.9	8.9	9.9	10.9	Feb. 5
Ford trucks	$500-$1,250	6.9	8.9	9.9	10.9	Feb. 5
Mercury	$1,000-$1,500	6.9	8.9	9.9	10.9	Feb. 5
Merkur	$3,000-$4,000					Feb. 5
Ford Motor Co. (1990 models)						
Ford cars	**$750-$1,000**	**6.9**	**8.9**	**9.9**	**10.9**	**Feb. 5**
Ford trucks	**$500-$1,250**	**6.9**	**8.9**	**9.9**	**10.9**	**Feb. 5**
Continl., Mark VII	**$1,500**					**Mar. 31**
Mercury Topaz, Cougar, Sable	**$750-$1,300**	**6.9**	**8.9**	**9.9**	**10.9**	**Feb. 5**
Finance incentives on Aerostar, Taurus, Taurus SHO and Sable are 4.9; 4.9; 4.9; and 10.9.						
General Motors (1989 models)						
Chevrolet cars	$300-$1,000	6.9	8.9	9.9	10.9	Feb. 2
Chevrolet trucks	$500-$1,250	6.9	8.9	9.9	10.9	Feb. 2
GMC	$500-$1,250	6.9	8.9	9.9	10.9	Feb. 2
Cutlass Supreme	$1,500	4.8	4.8	4.8	10.9	Feb. 2
Other Oldsmobile	None	6.9	8.9	9.9	10.9	Feb. 2
Pontiac Grand Prix	$1,000	4.8	4.8	4.8	10.9	Feb. 2
Other Pontiac	$750 - $1,000	6.9	8.9	9.9	10.9	Feb. 2
General Motors (1990 models)						
Buick	**$250-$1,250***	**6.9**	**8.9**	**9.9**	**10.9**	**Feb. 2**
Chevrolet cars**	**$800-$1,500**	**6.9**	**8.9**	**9.9**	**10.9**	**Feb. 2**
Chevrolet trucks	**$500-$1,250**	**6.9**	**8.9**	**9.9**	**10.9**	**Feb. 2**
GMC	**$600-$1,250**	**6.9**	**8.9**	**9.9**	**10.9**	**Feb. 2**
Cutlass Supreme	**$1,000**	**4.8**	**4.8**	**4.8**	**10.9**	**Feb. 2**
Other Oldsmobile	**None**	**6.9**	**8.9**	**9.9**	**10.9**	**Feb. 2**
Pontiac Grand Prix	**$1,000**	**4.8**	**4.8**	**4.8**	**10.9**	**Feb. 2**
Other Pontiac	**$750-$1,000**	**6.9**	**8.9**	**9.9**	**10.9**	**Feb. 2**
***—Based on option package selected**						
****—Finance rates on Chevrolet Lumina are 4.9; 4.9; 4.9; 10.9.**						
Hyundai Excel (1989, 1990)	**$500-$1,000**					**Mar. 5**
Mazda 323 (1989)	$200-$600					Feb. 2
Trucks (1989)	$750					Feb. 2
Mazda 626 (1990)	**$750**					**April 11**
MX-6 (1990)	**$1,000**					**April 11**
Trucks (1990)	**$750-$1,000**					**April 3**
Mitsu. Eclipse ('90)	**$1,000**					**Jan. 31**
Sterling (1989 models)	$5,000					Mar. 31
Subaru (1989 models)						
Justy	$500-$1,000					Feb. 22
XT, XT6	$1,000-$3,000*					Feb. 22
*—Rebates go to the customer in some regions and to the dealer in other regions.						
Suzuki (1989 models)						
Swift	$500-$2,000					Mar. 31
Samurai	$1,000					Mar. 31
Sidekick	$500-$3,000					Mar. 31

VOLVO

FROM PAGE 2

end to 240 production. The North American spokesman said the 240 "will continue to be the entry-level car for some years to come."

Gyllenhammar told the Swedish business magazine *Veckans Affarer* that Volvo is investing $3 billion in the new car, which will have front-wheel drive and an all-new engine.

"I have been test driving the new Volvo and the car looks very tough," he told the magazine.

He would give no more details, but added that the timing of the introduction is also a question of investment.

Volvo's cuts come as the automaker is increasing capacity at its new Uddevalla plant and expanding output at Ghent, Belgium. Specifically:

- Approximately 13,000 fewer 240-series units and 1,000 fewer 700-series units will be made at the main Torslanda plant in Gothenburg. The work force of about 9,000 will be cut by 250.
- 760-series output at Kalmar will be cut from 23,000 to 20,000 units. Nine Friday production stops are planned this spring.
- Assembly of the 700-series at Uddevalla, which opened last spring, will be increased by about 12,800 cars, resulting in an expected 1990 output of 22,000 cars. The final production goal at Uddevalla is 40,000 cars a year.
- Two production stops of three days each will reduce output of the 700-series at Ghent by 2,500 cars. The plant is in the process of being expanded to produce 125,000 cars in 1992 compared with this year's 95,000.

Automotive News Special Correspondent Knut Moberg in Oslo, Norway, contributed to this report.

INCENTIVE WATCH

DEALER INCENTIVES

	Rebate	Expiration Date
Chrysler (1989 models)		
TC by Maserati	$6,000	None
Ford Motor Co. (1989 models)		
Taurus SHO	$500	Feb. 5
Ford Ranger	$250-$750, quota	Feb. 5
Bronco II	$250	Feb. 5
Ford Motor Co. (1990 models)		
Taurus SHO	**$500**	**Feb. 5**
Ford Ranger, Bronco II	**$250**	**Feb. 5**
General Motors (1989 models)		
Buick Regal	$1,500	Feb. 2
Cadillac	$500-$1,000, quota	Jan. 31
Chevrolet Corvette	$2,000-$4,000, quota	Feb. 2
Oldsmobile	$500-$2,500	Feb. 2
General Motors (1990 models)		
Buick	**$1,000-$2,000 on Reatta, Riviera, Park Avenue Ultra**	**Feb. 2**
Cadillac	**$500-$1,000, quota**	**Jan. 31**
Chevrolet Geo Tracker	**$1,000**	**Feb. 2**
Oldsmobile	**$500-$1,000, quota**	**Feb. 2**
Hyundai Excel (1989)	$500	Mar. 5
Isuzu (1989 models)		
Impulse, I-Mark	$300	Mar. 31
Trooper	$500-$1,500, quota	Mar. 31
Pickup	$500-$700	Mar. 31
Isuzu (1990 models)		
Trooper	**$500-$1,500, quota**	**Mar. 31**
Pickup	**$500-$700, quota**	**Mar. 31**
Mitsubishi trucks (1990)	**$1,000, quota**	**Jan. 31**
Nissan (1988-89 models)		
Pulsar NX	$1,000 $2,000 in Calif.	Jan. 31 Jan. 31
Pathfinder	$500	Mar. 2
Nissan (1988-90 models)		
Sentra, pickups	**Up to $1,000***	**Mar. 2**
1990 Axxess	**$1,000**	**Mar. 2**
***—Payment varies by regions.**		
Peugeot (1988-90 models)	**$1,000-$2,000**	**None**
Subaru (1989 models)		
Justy ECVT	$200	Feb. 22
XT, XT6	$1,000-$3,000*	Feb. 22
*—Rebates go to the customer in some regions and to the dealer in other regions.		
Suzuki (1990 models)		
Swift	**$400**	**Mar. 31**
Sidekick	**$700-$1,500**	**Mar. 31**
Toyota (1989 models)		
Cars	$400-$2,000, some based on quota	Feb. 2
Trucks	$300-$3,000	Feb. 2
Toyota (1990 models)		
Cars	**$100-$300, some based on quota**	**Feb. 2**
Trucks	**$300-$1,000**	**Feb. 2**
Volkswagen (1989 models)		
Cars	$600-$2,500	None
Vanagon	$3,000-$4,000	None

LEVIN

FROM PAGE 2

more than $100 a car, based on Office of Technology Assessment figures. EPA estimates are higher, $6.5 billion or $500 a car.

Levin said that money, using the lower $1.5 million cost figure, would be better spent developing an electric car, a project he supports but has not discussed with the Big 3. An alternative may be to exempt automakers that had demonstrated a certain level of research and development with alternative fuel cars from having to meet the final tailpipe requirement, he said.

While Levin's sympathy with the Big 3 is known, the senator's support has become more vocal during the past several weeks while Congress has been in recess. During that time, General Motors and Chrysler Motors have been working with Levin's office, drumming up support for an amendment to the bill by the Senate Environment and Public Works Committee.

Dozens of senators were approached by the automakers, but Levin, whose second term expires in 1991, has been the most receptive to the domestic automaker's concerns, said Edward Kavjian, a lobbyist for GM.

"We have never made any headway in the Senate committee. Business interests get the short shrift in the committee. We just haven't gotten a fair hearing there," Kavjian said.

Rob Liberatore, executive director of public policy and legislative affairs for Chrysler, said Chrysler has been in contact with Levin's staff. "We have been meeting several times a week with him since before Christmas," Liberatore said.

Levin is still vague on the specifics of his proposed amendment and is clearly calculating his political support. His focus is the issue of cost, which has become a vital one in the clean air debate.

The cost question was raised by President Bush, days before the Jan. 23 return of Congress, sent a letter to Senate leaders warning that the bill drafted by the Senate committee would cost the industry and consumers $40 billion a year by the year 2000. Bush argued that his bill would achieve nearly the same benefits but cost $19 million. Bush's letter was interpreted by some as a thinly veiled veto threat.

Hardliners in the Senate, including Mitchell, retaliated with emotional speeches imploring that the value of human health does not carry a price tag.

"It costs the United States more in health care and lost productivity than it would to clean up air pollution. This bill will save the American people money," Mitchell said, the day Congress returned.

Automakers said the health ar-

PRODUCTION

Car output rises again; 121,380 built

By Karen Detkowski
SPECIAL CORRESPONDENT

U.S. carmakers continue to increase weekly production schedules as more plants return from shutdowns caused by lagging sales.

Automakers targeted 121,380 units last week, 44.29 percent above the prior week but 23.84 percent below the year-ago week.

Last week's estimated production was split as follows: General Motors, 43.08 percent; Ford Motor Co., 27.00 percent; Chrysler Motors, 9.64 percent; Honda of America Manufacturing, 6.52 percent; Toyota Motor Manufacturing U.S.A., 3.54 percent; New United Motor Manufacturing Inc., 3.38 percent; Diamond-Star Motors, 2.33 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.09 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.96 percent; and Subaru-Isuzu Automotive, 0.46 percent.

Truckmakers scheduled 77,815 units last week, 42.58 percent above the previous week, but 18.91 percent below the year-ago week.

GM extended downtime at its Fairfax plant in Kansas City, Kan., and the Doraville, Ga., plant last week. Both plants are expected to resume output today.

GM's Oklahoma City plant will be idle this week to adjust inventories. The plant is expected to resume operations Feb. 5. As previously reported, the Linden N.J., plant is also idle this week; it is slated to reopen Feb. 5.

GM's Pontiac East truck plant in Pontiac, Mich., will be closed this week to adjust inventory. The Baltimore plant will be down the week of Feb. 5 because of high inventories.

GM expects to reopen its Van Nuys, Calif., plant next week. The plant was down for changeover to the 1991 Chevrolet Camaro and Pontiac Firebird.

Ford's Edison, N.J., plant will be down this week. The Kansas City, Mo., plant and the Kentucky Truck plant in Louisville will be idle the week of Feb. 5.

Ford slated daily and Saturday overtime last week at its Wixom, Mich., assembly plant. The plant assembles Lincoln Town Car, Mark VII and Continental.

Chrysler's Toledo, Ohio, plant will be idle this week and next to adjust inventory of the Jeep Grand Wagoneer. The line was down the first three weeks of the year.

Production of the 1990 Chrysler LeBaron four-door sedan began Jan. 25 at Chrysler Motors' Newark, Del., assembly plant.

Canada's build nears 20,000

Canadian automakers targeted output of 19,950 cars last week, 48.88 percent above the previous week, but 4.05 percent below the year-ago week.

GM's No. 2 plant in Oshawa, Ontario, will be closed the week of Feb. 5 to adjust inventory.

Chrysler's Bramalea, Ontario, and Brampton, Ontario, plants are expected to resume output today after being down for two weeks.

U.S. CAR	Week Ended Jan. 27, 1990	Week Ended Jan. 28, 1989	Week Ended Jan. 20, 1990	Jan. to Date	Jan. 1 to Jan. 27, 1990	Jan. 1 to Jan. 28, 1989
Horizon	1,200	0	1,017	3,114	3,114	0
Sundance	0	3,053	0	3,446	3,446	10,116
Acclaim	2,000	1,628	1,416	3,416	3,416	4,810
Total Plymouth	3,200	4,681	2,433	9,976	9,976	14,926
LeBaron J	0	2,727	0	0	0	9,332
LeBaron GTS	0	285	0	0	0	908
N. Yorker C-Class	600	2,831	463	1,063	1,063	9,519
Fifth Avenue	700	0	568	1,268	1,268	0
Imperial	500	0	448	948	948	0
Total Chrysler	1,800	5,843	1,479	3,279	3,279	19,759
Omni	1,200	0	907	3,134	3,134	0
Daytona	0	2,750	0	0	0	9,376
Shadow	0	2,900	0	3,950	3,950	9,490
Dynasty	2,800	3,635	2,377	5,177	5,177	12,389
Lancer	0	258	0	0	0	782
Spirit	2,700	1,666	2,427	5,127	5,127	4,997
Total Dodge	6,700	11,209	5,711	17,388	17,388	37,034
CHRYSLER MOTORS	11,700	21,733	9,623	30,643	30,643	71,719
Escort	2,981	9,465	0	8,080	8,080	34,039
Mustang	3,688	4,097	0	6,661	6,661	16,404
Tempo	3,228	4,049	2,618	5,846	5,846	15,079
Taurus	9,233	8,564	7,373	24,238	24,238	32,307
Thunderbird	3,893	3,791	3,024	6,917	6,917	13,700
Total Ford Div.	23,023	29,966	13,015	51,742	51,742	111,529
Topaz	1,172	1,481	902	2,074	2,074	5,609
Cougar	1,652	2,541	1,319	2,971	2,971	11,138
Sable	1,255	2,946	1,027	4,090	4,090	11,229
Total Mercury	4,079	6,968	3,248	9,135	9,135	27,976
Continental	1,261	1,564	694	3,653	3,653	6,145
Mark VII	619	769	348	1,798	1,798	3,057
Town Car	3,792	2,345	2,094	10,953	10,953	9,217
Total Lincoln	5,672	4,678	3,136	16,404	16,404	18,419
Total L-M Div.	9,751	11,646	6,384	25,539	25,539	46,395
FORD MOTOR CO.	32,774	41,612	19,399	77,281	77,281	157,924
Skyhawk	0	340	0	0	0	1,867
Skylark/Somerset	1,725	1,150	1,269	2,994	2,994	2,283
Century	1,888	3,470	1,526	3,414	3,414	12,970
Riviera	595	591	306	901	901	2,384
Electra	2,138	2,003	1,549	5,787	5,787	6,826
LeSabre (fwd)	4,068	546	2,724	6,792	6,792	552
LeSabre (rwd)	0	217	81	360	360	782
Reatta	196	0	140	525	525	766
Total Buick	10,610	8,317	7,595	20,773	20,773	28,430
Eldorado	455	689	330	785	785	2,798
Seville	640	511	386	1,026	1,026	2,125
Brougham (rwd)	1,048	1,072	747	1,795	1,795	4,230
DeVille (fwd)	3,775	4,646	2,247	6,022	6,022	16,217
Allante	75	75	60	270	270	285
Total Cadillac	5,993	6,993	3,770	9,898	9,898	25,655
Cavalier	7,478	8,954	3,387	10,865	10,865	33,814
Camaro	0	2,499	0	0	0	9,472
Celebrity	0	4,478	0	0	0	17,076
Corsica/Beretta	4,954	9,365	4,398	9,352	9,352	33,702
Caprice	1,653	3,466	2,393	6,496	6,496	13,262
Corvette	560	520	0	560	560	1,850
Total Chevrolet	14,645	29,282	10,178	27,273	27,273	109,176
Calais	1,875	1,987	1,394	3,269	3,269	3,903
Cutlass Ciera	2,465	1,663	1,779	4,244	4,244	6,322
Cutlass Supreme	0	3,620	0	0	0	10,919
Toronado	590	303	323	913	913	1,181
88 (fwd)	2,465	4,020	1,948	5,944	5,944	14,035
88 (rwd)	130	211	102	232	232	920
98	1,425	2,156	807	2,232	2,232	7,439
Total Oldsmobile	8,950	13,960	6,353	16,834	16,834	44,719
Sunbird	4,192	2,283	310	4,502	4,502	9,042
Grand Am	4,800	4,784	0	4,800	4,800	18,305
Firebird	0	1,584	0	0	0	6,010
Grand Prix	0	4,001	0	0	0	11,655
Pontiac 6000	1,433	2,220	1,241	2,674	2,674	8,339
Bonneville	1,664	2,200	1,105	4,139	4,139	7,238
Safari/Parisienne	0	148	0	0	0	421
Total Pontiac	12,089	17,220	2,656	16,115	16,115	61,010
GENERAL MOTORS	52,287	75,772	30,552	90,893	90,893	268,990
DIAMOND-STAR	2,830	509	2,195	9,434	9,434	2,078
HONDA	7,910	8,371	8,615	31,044	31,044	26,625
Civic	2,069	2,810	2,086	10,734	10,734	9,764
Accord	5,841	5,561	6,529	20,310	20,310	16,861
MAZDA†	2,539	4,909	3,118	13,209	13,209	18,218
NISSAN	2,380	2,352	2,409	8,720	8,720	9,040
NUMMI	4,100	4,120	3,378	14,558	14,558	13,151
Corolla	2,100	1,631	1,753	7,331	7,331	5,998
Geo Prizm/Nova	2,000	2,489	1,625	7,227	7,227	7,153
SUBARU-ISUZU*	560	0	560	2,240	2,240	0
TOYOTA	4,300	0	4,271	16,276	16,276	0
Total Cars, U.S.	121,380	159,378	84,120	294,298	294,298	569,745
Total Cars, Canada	19,950	20,792	13,400	47,033	47,033	72,361
U.S., Canada Cars	141,330	180,170	97,520	341,331	341,331	642,106
U.S., Canada Cars and Trucks	235,539	297,434	165,423	595,659	595,659	1,065,719

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes MX-6, 626, and Ford Probe
*—Estimated

CANADIAN CAR	Week Ended Jan. 27, 1990	Week Ended Jan. 28, 1989	Week Ended Jan. 20, 1990	Jan. to Date	Jan. 1 to Jan. 27, 1990	Jan. 1 to Jan. 28, 1989
Monaco	0	0	0	1,894	1,894	0
Premier	0	1,285	0	401	401	3,863
CHRYSLER MOTORS	0	1,285	0	2,295	2,295	3,863
Tempo	3,840	4,278	3,419	7,259	7,259	15,972
Topaz	960	1,150	1,204	2,164	2,164	5,108
Crown Victoria	0	2,895	1,903	4,039	4,039	10,883
Grand Marquis	0	2,841	2,873	5,423	5,423	10,712
FORD MOTOR CO.	4,800	11,164	9,399	18,885	18,885	42,675
Celebrity	523	207	0	523	523	784
Cutlass Ciera	3,037	4,030	0	3,037	3,037	14,923
Lumina	6,909	225	0	6,909	6,909	464
Regal	1,091	1,957	0	1,091	1,091	3,301
GENERAL MOTORS	11,560	6,419	0	11,560	11,560	19,472
HONDA	2,100	1,744	2,434	8,424	8,424	5,686
HYUNDAI*	310	0	310	1,240	1,240	0
TOYOTA	1,000	0	1,077	3,945	3,945	0
VOLVO	180	180	180	684	684	665
Total Cars, Canada	19,950	20,792	13,400	47,033	47,033	72,361

U.S. TRUCK	Week Ended Jan. 27, 1990	Week Ended Jan. 28, 1989	Week Ended Jan. 20, 1990	Jan. to Date	Jan. 1 to Jan. 27, 1990	Jan. 1 to Jan. 28, 1989
Caravan	2,000	2,232	2,063	8,194	8,194	9,038
Dakota	0	2,273	1,475	3,209	3,209	8,089
Caravan C/V	100	228	106	471	471	777
Ram pickups	0	2,262	1,981	3,867	3,867	8,085
Total Dodge	2,100	6,995	5,625	15,741	15,741	25,989
Cherokee	4,400	5,186	3,546	7,946	7,946	15,887
Comanche	200	863	142	342	342	2,683
Grand Wagoneer	0	350	260	260	260	1,265
Wagoneer	50	251	71	121	121	730
Total Jeep	4,650	6,650	4,019	8,669	8,669	20,565
Voyager	1,800	2,544	1,941	7,785	7,785	8,473
Town & Country	50	0	66	246	246	0
Total C-P Div.	1,850	2,544	2,007	8,031	8,031	8,473
CHRYSLER MOTORS	8,600	16,189	11,651	32,441	32,441	55,027
Aerostar	4,000	4,737	0	7,200	7,200	18,436
Bronco	1,210	1,870	944	3,214	3,214	7,532
Bronco II	2,734	2,890	2,128	7,074	7,074	10,440
Econoline	4,191	5,200	3,351	10,727	10,727	19,474
Mediums/Heavies	1,003	1,314	761	4,094	4,094	4,966
Light trucks	9,385	11,505	7,567	26,551	26,551	43,306
Ranger	6,131	7,605	4,806	14,133	14,133	27,158
Total Ford Div.	28,654	35,121	19,557	72,993	72,993	131,312
FORD MOTOR CO.	28,654	35,121	19,557	72,993	72,993	131,312
Astro	2,707	3,577	0	2,707	2,707	13,073
Blazer	432	539	0	432	432	2,197
Lumina APV	1,640	0	1,266	5,422	5,422	0
Mediums/Heavies	266	0	250	1,085	1,085	0
P-Model	640	503	391	1,031	1,031	1,562
Pickups	6,420	10,662	6,170	12,902	12,902	35,727
S-10	5,921	5,985	3,450	15,969	15,969	23,168
S-10 Blazer	2,323	3,729	43	2,366	2,366	15,005
Sportsvan/Van	0	2,235	0	0	0	5,198
Suburban	1,293	1,646	0	1,293	1,293	5,850
Total Chevrolet	21,642	28,876	11,570	43,207	43,207	101,780
Jimmy	200	170	0	200	200	646
Mediums/Heavies	434	0	259	1,158	1,158	0
P-Model	60	122	31	91	91	121
Pickups	3,417	3,295	1,224	4,758	4,758	11,763
S-15	1,367	1,654	253	3,704	3,704	5,295
S-15 Jimmy	686	1,185	44	730	730	3,942
Safari	1,053	809	0	1,053	1,053	3,373
Suburban	884	482	0	884	884	2,672
Vandura/Rally Vans	0	671	0	0	0	2,139
Total GMC	8,101	8,388	1,811	12,578	12,578	29,951
Olds Silhouette	700	0	493	2,198	2,198	0
Pontiac Trans Sport	1,413	0	1,084	4,660	4,660	0
GENERAL MOTORS	31,856	37,264	14,958	62,643	62,643	131,731
NAVISTAR	1,635	1,852	1,328	5,509	5,509	6,098
NISSAN	3,060	2,785	3,073	11,215	11,215	10,685
SUBARU-ISUZU*	560	0	560	2,240	2,240	0
AM GENERAL*	450	450	450	1,800	1,800	1,710
MISCELLANEOUS*	3,000	2,300	3,000	12,000	12,000	8,740
Total Trucks, U.S.	77,815	95,961	54,577	200,841	200,841	345,303

CANADIAN TRUCK	Week Ended Jan. 27, 1990	Week Ended Jan. 28, 1989	Week Ended Jan. 20, 1990	Jan. to Date	Jan. 1 to Jan. 27, 1990	Jan. 1 to Jan. 28, 1989
Caravan	3,234	3,278	2,506	12,567	12,567	12,574
Caravan C/V	204	205	168	785	785	792
Ram Wagon	660	684	0	660	660	2,608
Ram Van	1,470	1,724	0	1,470	1,470	6,604
Total Dodge	5,568	5,891	2,674	15,482	15,482	22,578
Voyager	2,706	2,815	2,528	10,433	10,433	10,252
Total Plymouth	2,706	2,815	2,528	10,433	10,433	10,252
Wrangler	0	1,508	0	0	0	4,460
Total Jeep	0	1,508	0	0	0	4,460
CHRYSLER MOTORS	8,274	10,214	5,202	25,915	25,915	37,290
FORD MTR. (lt. trks.)	3,040	3,484	2,985	8,283	8,283	13,393
Light trucks	3,661	3,531	2,905	13,184	13,184	13,130
Vans	0	1,525	0	2	2	5,599
Total Chevrolet	3,661	5,056	2,905	13,186	13,186	18,729
Light trucks	1,219	1,635	2,032	5,343	5,343	5,551
Vans	0	641	0	1	1	2,317
Total GMC	1,219	2,276	2,032	5,344	5,344	7,868
GENERAL MOTORS	4,880	7,332	4,937	18,530	18,530	26,597
NAVISTAR	200	273	202	759	759	1,030
Total Trks., Canada	16,394	21,303	13,326	53,487	53,487	78,310
U.S., Canada Trks.	94,209	117,264	67,903	254,328	254,328	423,613

*—Estimated
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.

Automotive News

February 5, 1990

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AUTOMOTIVE NEWS/JOE WILSENS

Trotman said a pickup project could be similar to the Ford-Mazda setup in Flat Rock, Mich.

Ford, Mazda may build compact pickup in U.S.

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — The next step in the growing product marriage between Ford Motor Co. and Mazda Motor Corp. could be the replacement for both companies' compact pickup trucks, according to the chief of Ford's North American Automotive Operations.

Executive Vice President Alexander Trotman said Ford and Mazda are discussing a joint venture for compact pickup trucks. He said he favors a U.S. production site.

Trotman said the joint venture would be similar to the Ford/Mazda agreement at Mazda's Flat Rock, Mich., plant, which builds vehicles badged and sold by both Ford and Mazda. The Flat Rock plant produces the Mazda MX-6 and Ford Probe, a sister car.

Officially, Ford says the venture is in discussion stages. A Mazda spokesman said the automaker is studying various possibilities for local sourcing of trucks. But Ford product planning documents show that the joint-venture truck has been in Ford's future product plans for at least two years.

According to the planning documents, the pickup will be designed by Ford in North America and will be introduced in the 1995 model year to replace the Ford Ranger. A 1989 Ford business plan shows that Ford expects to sell 291,300 units of its Ranger compact pickup in the 1995 model year.

Ford truck engineering sources say the truck is being worked on now but, like any future product program at Ford, could be canceled up to 29 months before Job 1.

The new truck would be the second truck Ford has developed for Mazda. In the 1991 model year, Mazda dealers will receive a 2-door version of the Explorer sport-utility. Ford dealers will sell 2-door and 4-door ver-

see TROTMAN, page 36

Dealers sing the blues

Prices, rebates, slow economy cloud '90

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

The consensus is in: 1989 was lousy. And if we're lucky, 1990 will be more of the same.

That's the word from hundreds of auto dealers across the country, interviewed for *Automotive News*' annual "City by City" feature on the eve of the National Automobile Dealers Association convention.

The convention opens Saturday in Las Vegas.

From Boston to Phoenix and from Miami to San Francisco, new-car retailers say they're optimistic — as dealers tend to be. But they are nonetheless bracing for more of the bumpy ride they experienced last year. Dealers have reduced vehicle inventories. And many have trimmed their staffs and cut advertising budgets to cope with a first-quarter slump.

The majority of dealers interviewed blamed last year's setback on a combination of inflated sticker prices, confusion over rebates, tight-fisted financial institutions and consumer jitters over gloomy economic forecasts.

Many admitted that they had been hoping for a fourth-quarter sales turnaround, but in markets throughout the Midwest and South, bitter winter weather dashed those hopes.

Last year "was the worst year we ever had," said Robert A. Shanks a Buffalo, N.Y., Chrysler-Plymouth dealer. Industrywide car and truck sales fell 6 percent to 14.8 million 1989, the lowest total since 1984.

Despite the pervading concern, outlooks differed from region to region, from car line to car line and

even from dealership to dealership within the same market.

Sales increased in some areas last year — Seattle, Houston and Las Vegas, for example. Retailers in many markets were pleasantly surprised by heavier-than-normal January floor traffic. And general expectations are that sales could pick up again by late spring — if factories curb production long enough to eliminate what was frequently called a "glut" of product.

Several common themes were voiced.

Dealers aimed their strongest comments at factory rebate programs, which the majority criticized. They argued that — regard-

see DEALERS, page 37

Porsche direct marketing tabs 300,000 prospects

By Cleveland Horton
CRAIN NEWS SERVICE

IRVING, Texas — Porsche Cars North America has compiled dossiers on 300,000 top prospects as part of a new marketing campaign.

On Feb. 19, Porsche Cars North America will begin the first stage of an extensive direct marketing effort that will invite 300,000 carefully screened, affluent prospects to test-drive its cars. They will be the Porsche 300,000.

Just as members of the Forbes 400 and other lists may be offended by the information included in the publication of their assets, some of the Porsche 300,000 may be shocked at the intimate knowledge held by the car company.

"We've been successful in obtaining a great deal of information about our prospects," said Stephen D. Judge, senior vice president and executive creative director at Rapp Collins Marcoa, Porsche's direct marketing agency, "such as their profession, their income range, the type of cars they currently drive, the type of cars they used to drive, where they live and what type of neighborhood they live in."

Porsche insists that it is acting entirely within federal and state regulations regarding direct marketing. "We're sensitive to privacy laws, but we can still communicate that we know what

see PORSCHE, page 36

Newest models make the gains as Ford and Japan climb

By Peter Brown
EDITOR

In the land of new-car sales, the newest car is king.

Sales of newly introduced or updated cars generally increased in the otherwise down year of 1989, while sales of older models slid steeply.

1989's winners & losers, Page 23

Ford Motor Co. was the only domestic maker to increase its share of the combined U.S. car and light-truck market during a calendar year in which the nine Japanese auto companies together picked up 1.5 points of total vehicle market share — and nearly three points of car share, to 26 percent of the car market. Ford did far better with new cars than with old.

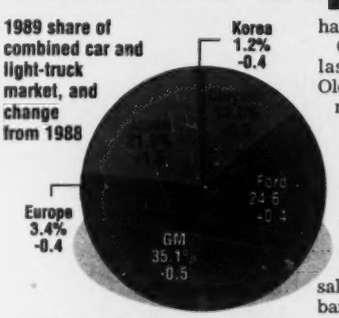
And the Japanese profit from the customers' preference for new cars. With a few exceptions, chiefly small-volume specialty vehicles, the Japanese sell models no older than three or four years.

A Japanese advantage, says analyst Maryann Keller, is "that they introduce so many more models. A few years ago, there was no Mazda MPV or Mazda Miata, no Lexus, no Infiniti. They retain the old and keep making the old newer, and they continuously insert brand-new products that serve whole new groups of customers."

When cars and trucks are combined, the big losers in total market share in 1989 tend to be domestic divisions that don't sell light trucks.

GM's upscale Cadillac and Buick divisions made small gains, but the foundering Oldsmobile Division dived by 113,111 sales and lost a half-point of market share in total vehicle sales and two-thirds of a point in car share. Pontiac dropped 96,962 in unit sales and more than a third of a point in combined market share.

Oldsmobile and Pontiac began selling minivans (counted as trucks on the sales charts) in the fourth quarter of 1989, but it was too late in the year and sales were too scant



to make much of a dent in their huge car-sales losses.

The Chrysler nameplate at Chrysler Motors dropped 29.09 percent in unit sales and nearly a half-point in total market share.

Chrysler also added a minivan last year but, as in the case of Oldsmobile and Pontiac, sales were minimal.

Meanwhile, of the six largest Japanese importers, only Subaru of America Inc., which sold no trucks, saw decreased sales in 1989. Mitsubishi Motor Sales of America Inc., with a dramatic percentage rise in car sales and a small drop in truck sales, overtook the truckless Subaru for fifth place among Japanese importers.

Combined market-share gains of more than 0.4 point were racked up by Toyota Motor Sales U.S.A.

see 1989, page 23

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Chrysler to close St. Louis No. 1

Approximately 3,700 workers will lose their jobs when the automaker moves Dodge Daytona (right) and Chrysler LeBaron production out of Missouri. Story on Page 2.

Saab Auto plans luxury car, but 900 replacement is first

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

STOCKHOLM, Sweden — Saab Automobile AB has swung into action on a new luxury car that will compete with the uppermost Mercedes-Benz and BMW models. But President and Chief Executive Officer David J. Herman said Saab's first new product move will be to replace the 12-year-old 900.

Saab Automobile — the month-old 50-50 joint venture between General Motors and Saab-Scania AB — already has project teams busy on new models, said Herman. A team is also working on plans to produce GM Europe's Calibra coupe in Finland beginning early next year.

Herman has set objectives to reduce Saab's Swedish absenteeism and attrition, re-emphasize sales in continental Europe and become profitable by the end of next year.

He also has an eye on the United States. After being appointed in mid-January, he conferred with Robert Sinclair, president of Saab-Scania of America, and set up regional dealer meetings for May.

And he is discovering his company's products. "I drove a Saab for the first time three weeks ago," he said.

GM paid $600 million for its stake in Saab Automobile, which will develop, produce and sell cars under the Saab name and also produce cars for GM Europe.

Herman's appointment is an indication of GM's management control of the venture. But the Harvard-trained lawyer, who has held a series of international posts, is anxious to keep GM at arm's length.

GM Europe President Robert Eaton told him "the most important challenge is to keep people out who don't belong," said Herman. For example, pure curiosity-seekers from other parts of GM will be kept out.

In his new position, Herman said, "I really don't find it necessary to call up anyone from General Motors day to day."

Herman will report to an as-yet unnamed chairman of Saab Automobile, who will be appointed by GM along with four other members of the 10-member board. Three members will be chosen by Saab-Scania and two will be union representatives. Herman said he expects the board to be settled by March.

Only Herman and James Crumlish, who was financial vice president at GM's joint venture with Suzuki in Canada, have been assigned to Saab. Herman said "very few other GM people will become part of Saab."

For instance, the still vacant position of sales and marketing director probably will not be filled with a GM executive.

Saab's third model range will be positioned above the 9000 and is likely to get a 6-cylinder engine from GM. But it will not come off a GM platform as speculated, Herman said.

"That will not be a shared program. That is a program for Saab," he said. "It may have an engine that Saab choses to buy from GM, but that will be a good thing because at that volume you wouldn't build your own."

He said the car will be aimed at top-of-the-line offerings from BMW, Mercedes-Benz and Swedish archrival Volvo. The luxury model — as well as replacements for the 900 and 9000 — will debut within five years, he said.

"I think the 900 would come first," he said. "Not just because that's our volume model, but because the amount of work that has to be done is less. Saab had already done some work on the 900."

Herman said Saab's own development work will be built upon, not scrapped entirely as has been rumored. But the company will seek to fit GM components.

"The engineers are now looking at what GM has to offer in terms of chassis components — to see how that meshes with what had been done before," he said. "But things like appearance, internal and external, should be able to be maintained."

That holds for the future as well. Herman said Saab would incorporate "significant platform and chassis componentry" but would not just accept a whole platform and build on it: "Saab is not a body-builder."

He said the replacement for the 900 will be out sooner than Saab would have been able to do on its own. "The affiliation with GM enables Saab to do things a little bit quicker and to do more things," he said.

Herman said the new Opel/Vauxhall Calibra coupe should be in production at Saab-Valmet in Finland by the end of the first quarter of 1991. He said the plant in Uusi-

see SAAB, page 35

"The affiliation with GM enables Saab to do things a little bit quicker," says David Herman.

14-year overseas career for GM-Saab leader

STOCKHOLM, Sweden — David Herman's General Motors career is atypical. Though American, the new chief executive of Saab Automobile has never worked in Detroit and has not been posted stateside since he left GM's New York legal staff in 1975.

He went to London in 1976 to coordinate GM's activities in the Soviet Union and Eastern Europe, which he calls "a good idea before its time."

Herman: 1990 plans for U.S., Page 35

Herman drew upon his experience as a Ford Foundation Fellow at the Harvard Russian Research Center.

He next helped launch GM's huge manufacturing operation in Spain in the early 1980s as a special assistant to the managing director of GM Espana.

He ran GM units in Chile and Colombia and then took over GM Continental in Belgium, where he supervised the tricky consolidation of production at two plants in Antwerp into one in early 1988.

Last year, Herman launched GM Europe's Masterfit dealer service franchise while executive director of GM's European parts and accessories operation.

The experiences were well-suited to the Saab position, he said.

"When you are overseas, you tend to get to run the total business more," he said. "If you're managing director in Chile, you really do run the business in Chile. On a day-to-day basis, there is nobody involving themselves in your labor relations, your government relations, your purchasing policy, your product program."

— Richard Johnson

GM dealers get extra 60 days of low-interest floorplanning

By Michelle Krebs and Jim Henry
AUTOMOTIVE NEWS STAFF REPORTERS

General Motors has lengthened the time period for its low-interest wholesale financing of new vehicles for dealers.

GM wants dealers to order more vehicles for spring and keep GM plants running.

The extension of low-interest floorplanning is only for dealers who finance their inventories through General Motors Acceptance Corp.

GM has added 60 days to the period during which it charges dealers no more than 5.5 percent on financing for new-vehicle inventory. The extension is for vehicles invoiced between Jan. 29 and March 31.

The interest-rate cap typically runs for about four months, but varies by quarter.

Some dealers hailed the move as a recognition by GM of dealers' dire financial situation. Others said dealers already have so much inventory in a slow market that it will make little difference.

The National Automobile Dealers Association estimates that only about half of the nation's 25,000 dealerships are profitable.

Floorplanning interest expense and advertising are dealers' largest expense items. And dealers have been asking automakers for relief on floorplanning.

"Clearly, this enhancement is a step in the right direction," said Charles Walton, president of the 760-member New Jersey Automobile Dealers Association.

In December, the association wrote to GM Chairman Roger Smith, calling for "immediate special floorplan assistance" for New Jersey dealers. The association said as many as 100 of its members are on the verge of bankruptcy or are leaving the business.

The association is sending similar appeals to other manufacturers.

After the interest-rate protection period, GMAC's wholesale financing rate rises to a point over the prime rate.

In a memo to dealers, GM said, "This action provides dealers an exceptional opportunity to increase product availability and fully capitalize on the strong spring market."

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VW bets a bundle on tongue-twister ad theme

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — Volkswagen of America hopes its new advertising campaign will generate showroom traffic and boost sales with a word few can pronounce.

Fahrvergnugen.

But the importance of VW's new advertising themeline lies not with how the odd-sounding German word is spoken, but with its message: Lower prices, increased value and no rebates. For a company whose U.S. sales plunged 19 percent in 1989, the campaign is critical.

William Gelota, marketing director of Volkswagen United States, said VW will spend 25 percent more on advertising than its 1989 ad budget, which is estimated by *Advertising Age*, a sister trade publication of *Automotive News*, to have been $100 million.

But Gelota said money also will be used to launch both the fahrvergnugen campaign and VW's new full-sized Passat line.

VW seeks to capture customer attention in the six to eight radio spots already produced with a breathy, British-accented woman singing, "Ah, fahr-ver-gnu-gen . . . " to a heavy European sounding beat. A voice-over announcer tells listeners what the German word means and its relation to VW products.

William J. Young, vice president of VW United States, believes the campaign teases consumers enough to get them into VW showrooms where the company's lowered pricing strategy can be told and sold.

"Fahrvergnugen as a campaign is 100 percent product- and customer-oriented," Young said. "It is 180 degrees different than any price and rebate advertisement in the market today."

Young said few companies advertise products so much as they advertise deals. He cited Mercedes-Benz and Volvo as two companies that do focus on product in their advertising.

Fahrvergnugen — pronounced "Far-fair-gnugen" — means "pleasurable driving experience."

"A key to this campaign is delivering a customer on the showroom floor predisposed to asking questions about the product, and asking the salesperson what fahrvergnugen is," said

see VW ADS, page 35

VW's logo for its new ad campaign

LATE NEWS

NHTSA drops investigation of Lumina's non-motorized belt

WASHINGTON — The government has determined that the non-motorized safety belt on the Chevrolet Lumina 4-door sedan is not defective.

In October, the National Highway Traffic Safety Administration opened an investigation because Lumina's passenger-side seat belt broke 80 milliseconds into a 35 mph crash test. The break occurred near the point where the belt connects to the top of the door.

A three-month investigation found that no similar belt failures had been reported.

— Diana T. Kurylko

GM won't discuss job total at Janesville

JANESVILLE, Wis. — General Motors says it wants to increase productivity at its assembly plant here, but it declined to discuss possible reductions in the work force.

James Harbour, an independent researcher in Troy, Mich., recently said the plant, which employs about 5,300 people, could eliminate 2,370 workers and continue its current output to become one of the more productive U.S. plants. He rated Janesville 30th among 37 U.S. auto plants in efficiency and productivity.

GM has said the Harbour report is accurate and that it is looking at ways toimprove the operation, but GM declined to say if the Wisconsin work force will be cut.

The Janesville plant turns out about 56 Chevrolet Cavaliers and about 11 medium-duty trucks per hour, though GM said last week that the truck rate will be boosted to 14. A second shift that was to be added in April has been scrapped.

Later this year, the plant will discontinue Cavalier production and begin the switch to Chevrolet Suburbans and Blazers and GMC Suburbans and Jimmys for the 1992 model year.

— The Associated Press

NUMMI to hire more workers for trucks

FREMONT, Calif. — New United Motors Manufacturing Inc. will add at least 700 people to its operation early next year when it begins producing Toyota trucks at its Fremont plant.

About 150 of the new hires will work in administration, while the others will work on the assembly of an estimated 400 light pickup trucks every day, the company said.

The new workers will boost NUMMI's annual payroll by more than $30 million to approximately $180 million. With the new hires, the company will employ about 3,600 people.

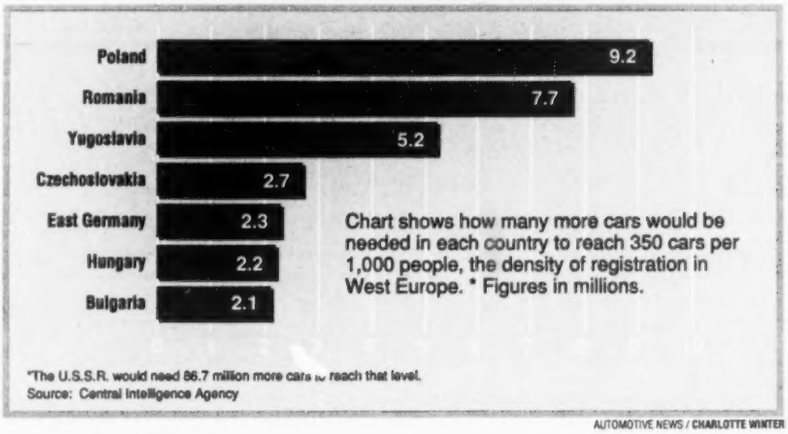
"We've never hired this many people at once, and we're still working on fine tuning the hiring process," said Michael Damer, a spokesman for the General Motors-Toyota Motor Corp. joint venture.

By producing trucks at the plant that currently manufactures Geo Prizm and Toyota Corolla subcompacts, NUMMI will avoid paying a 25 percent duty on trucks it would otherwise import.

NUMMI will activate a dormant assembly line to accommodate the new venture.

— The Associated Press

East Europe potential


Poland 9.2
Romania 7.7
Yugoslavia 5.2
Czechoslovakia 2.7
East Germany 2.3
Hungary 2.2
Bulgaria 2.1
Chart shows how many more cars would be needed in each country to reach 350 cars per 1,000 people, the density of registration in West Europe. * Figures in millions.
*The U.S.S.R. would need 86.7 million more cars to reach that level.
Source: Central Intelligence Agency

AUTOMOTIVE NEWS / CHARLOTTE WINTER

Autolatina to end output of engines for Mustang

SAO PAULO, Brazil — Autolatina, the Ford-Volkswagen joint venture in Brazil and Argentina, will end production in September of the 2.3-liter, 4-cylinder engines it exports to Ford Motor Co. for the Mustang.

Ford's engine plant in Lima, Ohio, will take over as the source when Brazilian production ends.

The end of the export operation, which Autolatina blames on the government's policy of overvaluing the cruzado, means the loss of 1,400 jobs at the plant in Taubate.

Taubate began producing engines for the United States in 1974. It also makes engines for the company's subsidiary in Argentina, where it is used in the Sierra.

Autolatina said Dearborn last year asked for price quotations from three engine plants: Taubate, Lima and one in Mexico. Sources here said Lima won with a $300-per-unit advantage over Taubate.

— Rik Turner

East Germans court Mitsubishi Motors

TOKYO — The East German government has asked Mitsubishi Motors Corp. to consider setting up production there, according to Hirokazu Nakamura, the auto company's president.

The proposal was made to a Mitsubishi representative who was invited to East Berlin by the East German Ministry of Machine Building Industry.

Mitsubishi has been looking for a joint-venture partner in Western Europe, and still prefers a partner in the West rather than the East. Nakamura said both projects might be possible, but at different intervals.

— Mary Ann Maskery

Mercury drops a hint on Tracer, Capri prices

DETROIT — Ford Motor Co. said last week that the base price of the least expensive Mercury Tracer model will be between $8,000 and $9,000 and the base price of the least expensive Capri convertible will be less than $13,000. The least expensive 1989½ Tracer is $8,672. The Capri is an all-new car for Mercury.

The Mexican-built subcompact Tracer, based on the Mazda 323, will debut in May. The Australian-built Capri, also based on the 323, is scheduled to arrive in June.

Automakers urged to promote retrofit kits for rear seat belts

WASHINGTON — The Institute for Injury Reduction is promoting a plan to retrofit about 140 million pre-1990 cars with rear shoulder harnesses to complement existing rear lap belts.

It says at least 1,000 fatal or severe injuries occur each year to rear-seat passengers wearing lap belts only.

The plan calls for automakers and dealers to stock and promote replacement kits costing no more than $50. The current average is $270.

The institute also wants the government to warn motorists of the dangers of using rear lap belts only and insurance companies to give discounts for retrofitted cars.

Jerry R. Curry, administrator of the National Highway Traffic Safety Administration, said the agency will pressure manufacturers to make the kits available and affordable. But he said "the real epidemic" is not injuries from rear lap belt use but those that result from wearing no safety belts at all.

— Helen Kahn

Chrysler mails checks in odometer settlement

HARRISBURG, Pa. — Chrysler Corp. has mailed $500 checks to 1,700 Pennsylvania owners of Chrysler Motors vehicles that were test-driven with their odometers disconnected, according to the Pennsylvania Attorney General's Office.

An estimated 27,000 consumers nationwide will receive $13.5 million in refund checks under a federal court settlement of litigation brought in 1988 against Chrysler by several state attorneys general. The lawsuit charged that Chrysler employees and executives drove new cars on overnight test drives without connecting the odometers.

All affected vehicles were identified through Chrysler records.

Yugo America mails $1.7 million to dealers

NEW YORK — The newly reorganized Yugo America Inc. mailed its first checks to dealer creditors last week, totaling $1.7 million.

The payment represents 50 cents on the dollar for Yugo dealers who were owed money, mostly for warranty work, when the importer and distributor filed for Chapter 11 bankruptcy on Jan. 30, 1989.

The dealers are scheduled to get two more installments, each worth 25 cents on the dollar, each time Yugo wholesales another 20,000 cars. The company sold 10,576 in 1989.

Yugo's other unsecured creditors voted to accept an offer of 9 cents on the dollar, which will come due in May.

— Jim Henry

GE Capital buys McCullough leasing

EDEN PRAIRIE, Minn. — GE Capital Fleet Services has acquired McCullough Leasing of Roseville, Mich., for $450 million from the Bank of New England.

McCullough Leasing, which has 50,000 vehicles, will operate as a separate division of GE Capital Fleet Services. GE Capital Fleet Services manages more than 450,000 vehicles and is the largest fleet-management company in North America.

McCullough Leasing, in its 41st year, will continue operating under present management.

GE Capital Fleet Services is the vehicle fleet management subsidiary of GE Capital Corp. of Stamford, Conn.

BRIEFLY: *GM cancels dealer council after dealers deem it 'ineffective'*

General Motors has canceled its annual President's Dealer Advisory Council for 1990, breaking a 55-year tradition.

About 50 U.S. and Canadian dealers, most of whom are selected by GM, have traditionally gathered in Detroit for three days to discuss matters of mutual interest with GM brass.

GM canceled this year's council meeting because dealers felt some aspects were ineffective, said Robert Ogden, general director of sales operations and dealer operations on GM's customer sales and service staff.

Dick Smith of Royal Oldsmobile-Jeep-Eagle in Charleston, W.Va., and the GM line group representative for the National Automobile Dealers Association, said he and other dealers have long felt the council is ineffective and have pressed for another forum.

"It tended to be a show-and-tell by GM," said Smith, who attended the last two council meetings. "The factory told us what was going on."

Other dealers complained the council was more of a social gathering than a business meeting.

ON CLOUD NINE: Ron Tonkin, NADA president and Portland, Ore., megadealer, says he expects "positive results" from his meeting last Thursday with **Chrysler Corp.'s** board of directors.

"I am absolutely on cloud nine," Tonkin said after the meeting. "I think I could fly to Portland without a plane."

Tonkin said his scheduled 25-minute presentation stretched to 90 minutes and his remarks twice elicited applause.

Tonkin also had a private tete-a-tete with Chrysler Corp. Chairman Lee Iacocca and Chrysler Motors chairman Bennett Bidwell.

ALL IN A NAME: Integral to the launch of **Volkswagen of America's** new Fahrvergnugen advertising campaign is a stick-figure driver that grows out of the company's VW logo. What to call this critter has been the subject of debate; thus far, it's affectionately known as Mr. Fahrvel. To come up with a proper handle, VWoA officials will announce a companywide contest. No word on the winner's prize and no word yet on the contest deadline. You can be sure as soon as they know what to call it, so will you.

TOO MANY CHIEFS: Could it be that **Chrysler** has too many executives and not enough titles since the company disbanded its holding company structure at the end of last year?

Top brass of Chrysler Motors still identify themselves as executives of *Motors*, now a division of Chrysler Corp.

But official company biographies identify less-high-ranking people as personnel of Chrysler *Corp.*

With a chairman and vice chairman at Chrysler Corp. and a chairman and president at Chrysler Motors maybe the company just ran out of titles.

ANY COLOR YOU WANT, AS LONG AS . . . : At **Subaru-Isuzu of America Inc.** startup, the Isuzu pickups were coming off the line in black, white, violet and red. As the line speeded up, three colors of the PPG paint had problems, and "now I've got red pickups all over the country," said American Isuzu boss Jack Reilly. Of the first 2,400 vehicles, 1,900 were red.